

Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03

IO-13 COME-00 PM-07 CIAE-00 DODE-00 INR-10 NSAE-00

PA-03 USIA-12 PRS-01 RSR-01 /163 W

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R 121103Z JUL 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 4497

INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE SAIGON 12579

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: FRENCH ECONOMIC MISSION

1. SUMMARY: FRENCH ECONOMIC MISSION LEFT SAIGON JULY 11 FOR LAOS, WITH UNDERSTANDING THAT FRANCE WOULD PROVIDE 100 MILLION FRANCS CREDIT THIS YEAR, SOME OF WHICH WOULD BE FOR BALANCE OF PAYMENTS SUPPORT. DETAILS TO BE WORKED OUT IN PARIS IN SEPTEMBER. END SUMMARY.

2. FRENCH ECONOMIC MISSION, LED BY FORMER MINISTER AND GAULLIST DEPUTY FRANCOIS MISSOFFE, LEFT SAIGON FOR LAOS APPARENTLY IMPRESSED BY WHAT THEY SAW AND BY NEED FOR GENERAL BALANCE OF PAYMENTS SUPPORT. THEY HAVE GIVEN PRELIMINARY AGREEMENT TO CREDIT OF ABOUT 100 MILLION FRANCS, TO BE OPENED THIS CALENDAR YEAR. CREDIT WOULD TAKE FORM OF PRIVATE LOANS GUARANTEED BY COFACE AND SOME GOVERNMENT FUNDS. MATURITY WOULD BE 15 YEARS OR SO AND INTEREST ABOUT 4 PERCENT. NOT CLEAR IF THIS WOULD BE THE AVERAGE TERMS OR IF FUNDS WOULD BE MIXED TO RESULT IN SINGLE SET OF TERMS. GVN DELEGATION WILL VISIT PARIS IN SEPTEMBER TO NEGOTIATE TERMS.

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3. FRENCH HAVE WANTED TO GIVE ASSISTANCE IN FORM OF PROJECT AID, BUT HAVE APPARENTLY BEEN CONVINCED OF NEED FOR GENERAL BALANCE OF PAYMENTS SUPPORT, AT LEAST IN 1973. PROPOSED CREDIT MAY BE SPLIT IN HALF BETWEEN PROJECTS AND BALANCE OF PAYMENTS SUPPORT.

4. FRENCH HAVE TOLD VIETNAMESE THAT AID LEVELS IN 1974 MAY BE ROUGHLY DOUBLE SIZE OF 1973 CREDIT. THEY APPARENTLY WANT THIS AID TIED TO PROJECTS, BUT MAY HAVE SOME FLEXIBILITY.

5. FRENCH ARE ALSO PLANNING TO PROVIDE 10 MILLION FRANCS IN HUMANITARIAN AID IN 1973. PROPOSED LOAN OF 135 MILLION FRANCS FOR EXPANSION OF HA TIEN CEMENT WORKS IS SEPARATE FROM ABOVE AID.

6. COMMENT: APPARENT FRENCH DECISION TO PROVIDE BALANCE OF PAYMENTS SUPPORT IS WELCOME, AND MAY PROVIDE EXAMPLE FOR OTHER COUNTRIES, THOUGH FRENCH APPEAR RELUCTANT TO PUBLICIZE PROPOSED CREDIT UNTIL NEGOTIATIONS ARE COMPLETED. VISITORS REMARKED FAVORABLY ON VIETNAMESE ECONOMIC OFFICIALS AND WE BELIEVE LATTER'S MORALE HAS BEEN BOOSTED AS RESULT OF MISSION.

DECON. 7/11/74.

APPLING

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Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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